# ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-03499A STERLING WATER BOMPANY 12438 N. Saguaro Blvd. #114 FOUNTAIN HILLS, AZ 85268

RECEIVEL

ACC UTILITIES DIRECTOR

# ANNUAL REPORT Water

FOR YEAR ENDING

12 31 2010

FOR COMMISSION USE

ANN 04 10

4-19-11

4-20-11

### **COMPANY INFORMATION**

Company Name (Business Name		0
Mailing Address <u>12438</u> N	S. Sazuaro Blvl.  Mar.  Mar.	#114
(Street) Halla	U Mo	85268
(City)	(State)	(Zip)
602-373-7071		
602 - 373 - 7071 Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address Mm Sugge	@Cox.NGF	
Email Address	SAME	
<u> </u>	(Street)	
(City)	(State)	(Zip)
Local Office Telephone No. (Include Area Cod	e) Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address		
	ANAGEMENT INFORMATIO	<u>ON</u>
M∠  Regulatory Contact:	ANAGEMENT INFORMATIO	
<u>M∠</u> ☐Regulatory Contact:	ANAGEMENT INFORMATIO	Passisens (Title)
M∠  □ Regulatory Contact:  □ Management Contact:	ANAGEMENT INFORMATIO	
M∠  Regulatory Contact:	ANAGEMENT INFORMATIO	
M. □Regulatory Contact: □Management Contact:  Same.	ANAGEMENT INFORMATION  Le hael M. Suzzz  (Name)	PRESIBENT (Title)
Management Contact:  Sama  (Street)	ANAGEMENT INFORMATION  Le hael M- Suggs (Name)  (City)	(State) (Zip)
Management Contact:  ☐ Management Contact:  ☐ Same  (Street)  Telephone No. (Include Area Code)  Email Address	ANAGEMENT INFORMATION  Le hael M- Suggs (Name)  (City)	(State) (Zip)
Management Contact:  ☐ Management Contact:  ☐ Same  (Street)  Telephone No. (Include Area Code)	ANAGEMENT INFORMATION  Le hael M- Suggs (Name)  (City)	(State) (Zip)
Management Contact:  ☐ Management Contact:  ☐ Sama_  (Street)  Telephone No. (Include Area Code)  Email Address	ANAGEMENT INFORMATION  Le hace M. Suggs (Name)  (City)  Fax No. (Include Area Code)	(State) (Zip)
Regulatory Contact:  Management Contact:  Same  (Street)  Telephone No. (Include Area Code)  Email Address  On Site Manager:	ANAGEMENT INFORMATION  Chacl M. Suggs (Name)  (City)  Fax No. (Include Area Code)	(State) (Zip)  Cell No. (Include Area Code)

Statutory Agent: MARTI	Waz + Cuntis, PC	
Statutory Agent: MARTING Street)	35 Phognin	AZ 85006
(Street)	(City)	(State) (Zip)
602 - 248 - 0372 Telephone No. (Include Area Code)	Fax No. (Include Area Code	Cell No. (Include Area Code)
		Cen No. (menude Area Code)
Attorney: William	(Name)	
SAMG		
(Street)	(City)	(State) (Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address		
9	OWNERSHIP INFORMATION	<u>ON</u>
Check the following box that applies	s to your company:	
Sole Proprietor (S)	C Corporation (	C) (Other than Association/Co-op)
Partnership (P)	Subchapter S Co	orporation (Z)
Bankruptcy (B)	Association/Co-o	op (A)
Receivership (R)	Limited Liability	y Company
Other (Describe)		
	COUNTIES SERVED	
Check the box below for the county/	ies in which you are certificated to p	rovide service:
<b>ДАРАСНЕ</b>	☐ COCHISE	☐ COCONINO
☐ GILA	☐ GRAHAM	☐ GREENLEE
☐ LA PAZ	☐ MARICOPA	MOHAVE
□ NAVAJO	☐ PIMA	☐ PINAL
☐ SANTA CRUZ	☐ YAVAPAI	☐ YUMA
☐ STATEWIDE		
		<u> </u>

# STERLING WATER Company

### **UTILITY PLANT IN SERVICE**

Acct.		Original	Accumulated	O.C.L.D.
No.	DESCRIPTION	Cost (OC)	Depreciation (AD)	(OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	0	0	0

This amount goes on the Balance Sheet Acct. No. 108

# STERLING WATER Company

# CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	0	0	0

This amount goes on the Comparativ	e Statement of Income and Expense	_
Acct. No. 403.		

# STERLING WATER Company

### **BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF	BALANCE AT END OF YEAR
	ASSETS	YEAR	TEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$	\$
	FIXED ASSETS		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$
	TOTAL ASSETS	\$ N/4	s N/A

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

# STERLING WATTER Company

## **BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF	BALANCE AT END OF
	LIABILITIES	YEAR	YEAR
· · · · · · · · · · · · · · · · · ·	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ N/A	\$ N/A
	LONG TERM DEPT (Over 12 Months)		
	LONG-TERM DEBT (Over 12 Months)	\$ N/A	s N/A
224	Long-Term Notes and Bonds	\$ 10/19	\$ 7774
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ N/A	\$ N/A
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ N/A	\$ N/A
	TOTAL LIABILITIES	\$ N/A	\$ N/A
······	CAPITAL ACCOUNTS		,
201	Common Stock Issued	\$ N/A	\$ N/A
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ N/A	\$ N/A
	TOTAL LIABILITIES AND CAPITAL	\$ N/A	s N/A

# STERLING WATER Company

# COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$	\$
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$	\$
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	s N/A	\$ N/A

# STERLING WATER Company WINANCIAL DATA W/A

# SUPPLEMENTAL FINANCIAL DATA Long-Term Debt

<u> </u>	LOAN #1	LOA	N #2 LOA	N #3 LO	AN #4
Date Issued					····
Source of Loan					
ACC Decision No.					
Reason for Loan					
Dollar Amount Issued	\$	\$	\$	\$	
Amount Outstanding	\$	\$	\$	\$	
Date of Maturity			,		
Interest Rate		%	%	%	%
Current Year Interest	\$	\$	\$	\$	
Current Year Principle	\$	\$	\$	\$	

Meter Deposit Balance at Test Year End	\$ <del></del>
Meter Deposits Refunded During the Test Year	\$ <del></del>

COMPANY NAME	STELLING WATTER Company
Name of System:	ADEQ Public Water System Number:

# WATER COMPANY PLANT DESCRIPTION

#### **WELLS**

Pump Yield

(gpm)

Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled

NA

Pump

Horsepower

**ADWR ID** 

Number\*

#### **OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
A 1000			
and the second s			

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity

Note: If you are filing for more than one system, please provide separate sheets for each system.

<sup>\*</sup> Arizona Department of Water Resources Identification Number

<b>COMPANY NAME</b>	STERLING WATER Company
·····	ADDO D. I. W. A. Carton Nameline
Name of System:	ADEQ Public Water System Number:

# WATER COMPANY PLANT DESCRIPTION (CONTINUED)

NA

**MAINS** 

TWATT		
Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

#### **CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X <sup>3</sup> / <sub>4</sub>	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.
TREATMENT EQUIPMENT:
STRUCTURES:
OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	STERLING WATER Company
Name of System:	ADEQ Public Water System Number:

# WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY				
FEBRUARY				
MARCH				
APRIL			, , , , , , , , , , , , , , , , , , ,	
MAY				
JUNE				
JULY			44.	
AUGUST				
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				
	TOTALS →	NA	NA	NA

What is the level of arsenic for each well on your system? $\frac{N/4}{M} \mod 1$ (If more than one well, please list each separately.) WELL # $l = 6.0$ When
If system has fire hydrants, what is the fire flow requirement?GPM forhrs
If system has chlorination treatment, does this treatment system chlorinate continuously?  ( ) Yes  ( ) No WA
Is the Water Utility located in an ADWR Active Management Area (AMA)?  ( ) Yes  ( ) No
Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  ( ) Yes  ( ) No
If yes, provide the GPCPD amount:

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME:	STERLING WATER Company
Name of System:	ADEQ Public Water System Number:

#### **UTILITY SHUTOFFS / DISCONNECTS**

NA

JANUARY FEBRUARY MARCH APRIL MAY JUNE		**************************************
MARCH APRIL MAY		
APRIL MAY		 
MAY		
IUNE		
JULY		
AUGUST		
SEPTEMBER		
OCTOBER		
NOVEMBER		
DECEMBER		
TOTALS>		
OTHER (description)	:	

# COMPANY NAME STERLING WATER Complete YEAR ENDING 12/31/2010

## PROPERTY TAXES

N/A

Amount of actual property taxes paid during Calendar Year 2010 was: \$	
Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled che property tax payments) of any and all property taxes paid during the calendar year.	cks for
If no property taxes paid, explain why. Lorypany in more yet in Operation. No infrastructure has been developed. Wells we sured by Canlowle.	n
developed. Wells we saved by Canlowe	15 <u>.</u>
	<del></del>

# VERIFICATION AND SWORN STATEMENT Taxes

RECEIVED

**VERIFICATION** 

STATE OF HAISONA

OF THE

	ACCIM	
COUNTY OF (COUNTY NAME) MARICOPA	"LUTIES	DIRECTOR
MICHAEL M. SUSSE	Parsider	
STERLING WATER	moran	
STARCING VIMIARE	The state of	

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

#### **SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

SIGNATURE OF OWNER OR OFFICIAL

602 - 373 - 707)
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

SPANNON ELLIS Notary Public - Arizona Maricopa County My Commission Expires June 22, 2014

MY COMMISSION EXPIRES WOR 22 20 1

MONTH MONTH

SIGNATURE OF NOTARY PUBLIC

# COMPANY NAME STERLING WATTER Company YEAR ENDING 12/31/2010

#### **INCOME TAXES**

For this reporting period, provide the following:	
Federal Taxable Income Reported Estimated or Actual Federal Tax Liability	
State Taxable Income Reported Estimated or Actual State Tax Liability	0
Amount of Grossed-Up Contributions/Advances:	
Amount of Contributions/Advances Amount of Gross-Up Tax Collected Total Grossed-Up Contributions/Advances	N/A N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

#### CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATUR

PRINTED NAME

DÁTE

TITLE

# VERIFICATION AND

AND	RECEIVED
SWORN STATEMENT	r • • • • • • • • • • • • • • • • • • •
<b>Intrastate Revenues Only</b>	
OUNTY OF (COUNTY NAME) MAKE ICAPI	ACCUTA ITIES DIRECTOR
AME (OWNER OR OFFICIAL) TITLE CHALL M. SUJES PRINCE	
OMPANY NAME STERLING WATER CANYS	uny

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

VERIFICATION

STATE OF Herz

OF THE

I, THE UNDERSIGNED

MONTH 2010 12 31

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

#### **SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

> Arizona Intrastate Gross Operating Revenues Only (\$) 0 (THE AMOUNT IN BOX ABOVE

**INCLUDES \$** IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE **DIFFERENCE. (EXPLAIN IN DETAIL)** 

SUBSCRIBED AND SWORN TO BEFORE ME

13th

(SEAL)

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

SHANNON EU Sir Maricopa County My Commission Expires June 22, 2014 20 [ [

IGNATURE OF OWNER OR OFFICIAL

1071

373-7

22,2014 MY COMMISSION EXPIRES

17

# VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE

**Intrastate Revenues Only** 



**VERIFICATION** 

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)  Maris	Ma
ME COWNER OR OFFICIAL) Suggs	
	AVER Company

THE AMOUNT IN BOX AT LEFT

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH DAY YEAR
12 31 2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

#### **SWORN STATEMENT**

ARIZONA INTRASTATE GROSS OPERATING REVENUES

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

\$	0	INCLUD IN SALE	S TAXES BILLED, OR	COLLECTED)
*RESIDENTIAL REVEN		N THIS PAGE	SIGNATURE OF OWNER OR OR	SIMP-
			602-979-7 TELEPHONE NUMBER	2071
SUBSCRIBE	ED AND SWORN TO	BEFORE ME	NOTARY PUBLIC NAME 1	non Ellis
A NOTARY	PUBLIC IN AND FO	OR THE COUNTY OF	COUNTY NAME ( ) Ori	copa
THIS	1312	DAY OF	MONTH ADTI	,20 <u>\</u> \
(SEAL)		SHANNON ELLIS Notary Public - Arizona Maricopa County My Commission Expires June 22, 2014	Shownan	Les
MY COMMI	SSION EXPIRES		SIGNATURE OF NOTAL	RY PUBLIC